



## **Downtown Center Business Improvement District**

### **BOARD OF DIRECTORS MEETING MINUTES May 4, 2011**

#### **Board of Directors**

Barbara Bundy, Robert Cushman, David Damus (via conference call), Kathy Faulk, Joseph Flueckiger, Anne Peaks, Peklar Pilavjian, Patrick Spillane, Daniel B. Swartz, Cari Wolk, Josh Wrobel, Peter Zen

#### **Absent**

Sonny Astani, Eric Bender, Frank Frallicciardi, Robert Hanasab, Kent Handleman, Steve Hathaway, Sandy Nam, Carol E. Schatz, Colin Shepherd, Cindy Troesh, Susann Ventzke

#### **Staff**

Hal Bastian, Jeff Chodorow, Gennia Cui, Randall Ely, Jacob Holloway, Ken Nakano, Alexander Stettinski, Justin Weiss

#### **CALL TO ORDER**

Spillane called the meeting to order with a quorum at 8:09 a.m.

#### **PROPERTY OWNER/PUBLIC COMMENT PERIOD ON AGENDA ITEMS**

Spillane opened the meeting to the public for comments, in which there were none.

#### **INTRODUCTION OF NEW STAFF**

Bastian introduced Randall Ely, Interim Chief Operating Officer, who used to be Chief Operating Officer of the DCBID during its first term. Schatz asked Ely to join on a contract basis.

Bastian then introduced Jeff Chodorow, the DCBID's new Director of Finance and Administration.

#### **APPROVAL OF MINUTES**

A motion was made, seconded, and approved to accept the minutes from the Board meeting on March 2, 2011.

## **PROPOSED DCBID ASSESSMENT INCREASE, EFFECTIVE DECEMBER 2011**

Bastian reported:

Through under-staffing and attrition, among other things, the DCBID had accumulated surplus monies. The DCBID had elected to conserve a minimum of \$500,000 as a reserve fund, which historically has been maintained. The excess dollars have been put into service, rather than sitting in the bank, for clean and safe programs. If the level of programming continues, the reserve will remain intact through 2011, but will be entirely depleted in 2012. The management plan allows for an assessment increase on an annual basis, not to exceed five percent per adjustment. Because the inflation rate is running at approximately 1.5 percent, DCBID staff recommends a 1.5 percent increase at the end of 2011, which will transition into the next assessment increase during the new BID renewal term.

Bastian acknowledged that concern was expressed regarding the depletion of the reserve, and indicated that a discrepancy arose regarding the square footage of the Federal Reserve Building, and therefore a potential reduction of assessment revenue of \$50,000 per year by the Federal Reserve Building. Additionally, when the Wilshire Grand is demolished, there will be an annual reduction of \$80,000 per year.

The staff will be re-forecasting the budget and looking at program cuts to balance the budget.

A motion was made to approve the 1.5 percent assessment increase. Before the vote was taken, a request was made for an update on the proposed streetcar and its potential assessment. Bastian and Spillane reported on the progress, or lack thereof, of the streetcar project.

The motion to accept the 1.5 percent assessment increase was seconded and approved.

A question was raised regarding the Historic Downtown BID's plan going forward. Nakano reported that the HDBID has a contract with Universal Protection Service, which is also the vendor for the DCBID, for security services, with a security staff in place and ready to go. The security staff that was contracted to the HDBID has chosen to remain with the DCBID. At this point, their maintenance is independent from the DCBID maintenance, and hasn't seemed to be a problem as of yet.

## **RECOMMENDATION TO SUPPORT FARMER'S FIELD**

A motion was made, seconded, and approved to support Farmer's Field, with an abstention from Peter Zen, due to the elimination of the possibility of further expansion of the Convention Center.

## **PRESIDENT'S REPORT**

On behalf of Carol Schatz, Bastian reported:

For approximately six years, Estela Lopez and the Central City East Association have been doing "Skid Row Walk" to raise awareness about the challenges in Skid Row. The Skid Row Walks have received opposition from LA CAN for various reasons. Lopez has requested as much support as possible for this evening's walk. Participants meet at the cafeteria at the Midnight Mission at 6:00pm. Bastian will be forwarding the information about the walk to the Board members.

## **COMMITTEE REPORTS**

### **FINANCE**

Chodorow reported:

The 2010 financials have been audited by Green Hasson & Janks. The final numbers have been included in the Board meeting materials.

Faulk commended Chodorow on his efforts to get the financials up to date.

A question was raised about delinquent assessments. Faulk reported that delinquent assessments that will never be collected have been written off. The balance has been identified, and the process is ongoing to collect delinquent assessments.

Spillane thanked Faulk for her extensive work on the financials, from the time of the departure of Michael Clark, through the Interim Director of Finance, and continuing to work with Chodorow on the DCBID financials.

A motion was made, seconded, and approved to accept the December 31, 2010 financial statements.

A motion was made, seconded, and approved to accept the January 31, 2011, February 28, 2011, and March 31, 2011 financial statements.

## **MARKETING**

Stettinski reported:

The 2011 Valentine's Campaign "5 Ways to Fall in Love in Downtown LA" was very successful. The website received over 50,000 page views, of which almost 20,000 were unique visitors. The feedback from participating businesses was very positive, as most of the businesses were sold out and many reported record sales. The campaign was also given television coverage on ABC-7.

The Mother's Day campaign, "Moms & Mimosas," is underway, with 14 participating restaurants providing special menus and pricing. 10,000 cards were printed and distributed in various locations in and around Los Angeles. The advertising is more limited this year, due to cost.

The Annual Report has been completed and will be distributed at the Annual Property Owners Meeting on May 10, 2011 at the Los Angeles Athletic Club.

The monthly eNewsletters were sent to over 18,000 subscribers. The notable increase in subscribers is due to the demographic study opt-in.

The April-June quarterly newsletter was sent out to all stakeholders in early April.

The department is working to find a vendor to add mapping to the website. This will enable users to find parking, locations, events, and restaurants on live maps. The website received approximately 36,000 visits this month.

The smart phone application is still in progress. The launch is tentatively scheduled for late May 2011. The app will be available on the iPhone, Android, and Windows Mobile platforms. A recommendation was made to consider creating an app for Blackberry smart phones as well.

The Downtown Guides distributed 50,000 pieces of collateral in February and March, including 13,000 DCBID Directories and 34,000 Welcome Maps. They gave over 7,000 directions to places in Downtown, and contacted over 400 businesses. Over 386 Welcome Bags were delivered in February and March.

Grayling, the public relations firm, continues to work with the DCBID on several media campaigns, including the new website features, the Mother's Day campaign, and a special pitch about Green Spaces in Downtown.

The Pasadena Star News gave the DCBID a column in Scene Magazine, a bi-weekly publication with a current print volume of 15,000. The column covers topics related to Downtown LA to educate residents of Pasadena about what's going on in Downtown LA, a destination that can easily be reached from Pasadena via subway.

The DCBID is currently exploring a re-usable shopping bag, which will feature a Downtown artist and promote DowntownLA.com.

The Marketing Roundtable meetings are attended by representatives from 60-80 Downtown businesses. The attendees share their marketing activities to bring people to the area and learn about the DCBID's efforts to support businesses in Downtown.

A suggestion was made to work with the LAX Flyaway Shuttle to make at least one other stop in Downtown before its permanent stop at Union Station. Hal Bastian will do outreach and look into the possibility.

## **ECONOMIC DEVELOPMENT**

Weiss reported:

The Downtown Demographic Survey for 2011 has been completed. 11,352 surveys were completed, compared to 10,243 in 2008. Outreach was done to every market rate residential condominium and apartment building and every major high rise tower in Downtown. Street team outreach was also done at major public pedestrian hubs, including lunch hot spots, transit entrances/exits, tourist destinations, and cultural attractions such as the Downtown Art Walk. Of the survey participants, 8,156 opted-in for prize drawing entries, 5,330 opted-in for DCBID email notifications/newsletters, and as result, over 4,000 new email addresses have been added to our database. Lauren Schlau Consulting will be tabulating and analyzing the results. We expect to hold a press conference to publicize the completed survey in June.

A question was raised regarding the status of Farmer's Field. According to Tim Leiweke, a year from now, it will have gone through the EIR. Spillane emphasized that much of the timing depends on the CEQA document.

Representatives from the DCBID attended the Spring International Downtown Association (IDA) Conference in Downtown Chicago. This conference is attended by BID representatives from Downtowns across America, and many ideas were shared, especially with regard to retail recruitment and office tenant recruitment.

There are several groups contacting the DCBID regarding either investment in hotels or development of new hotels in Downtown.

Developers are expressing interest in purchasing historic properties and converting them to residential properties because of the strength of the Downtown residential housing market.

There is increased activity among creative office users looking for Downtown space.

Costco has committed to finding a location in Downtown, and has hired two local brokers in Downtown to find potential sites.

Focus on 7<sup>th</sup> Street retail recruitment has been decreased, due to the emphasis on the Demographic Survey, but efforts will be refocused now that the survey has been completed.

The DCBID is involved in the Bringing Back Broadway economic development efforts and the Red Bull Soap Box Derby, and has initiated planning for the 5<sup>th</sup> Annual Dog Day Afternoon at the Cathedral.

## **OPERATIONS**

Nakano reported:

Petty theft on 7<sup>th</sup> Street continues to be an issue, and there has been an increase in burglary to motor vehicles on nights when the Lakers are playing at Staples Center. District Safety staff will be increasing deployment on those nights, concentrating on open parking lots and on the purple tag program.

Statistic show that quality of life issues have decreased from 2010, but Nakano still would like those issues reported.

The process to transition away from the Historic Downtown BID (HDBID) has started. The staff members were given the opportunity to continue working with the HDBID, but all expressed a desire to remain with the DCBID. Some even turned down promotion opportunities and significant increases in pay to remain with the DCBID.

The Maintenance team is working with Chrysalis to identify cost-saving measures. At the request of several property owners along 7<sup>th</sup> Street, Maintenance will be running a pilot program to deploy the sidewalk cleaner on Saturdays, in addition to the regular weekday deployment.

During the months of February, March, and April, the DCBID removed approximately 20,549 bags of trash and approximately 111 abandoned shopping carts.

Safety and Maintenance teams are also identifying extreme trip hazards and are working with the city to get them repaired.

The DCBID was asked by Common Ground to help identify the most vulnerable homeless persons within the district, and the DCBID will create a mapping of where these people are sleeping. Common Ground will then target these people and work on getting them into supportive housing.

The DCBID is contracted for the maintenance services for Fiesta Broadway, as well as some security services and the maintenance services for the Red Bull Soap Box Derby.

### **OLD BUSINESS**

No old business was brought up.

### **NEW BUSINESS**

No new business was brought up.

### **ADJOURNMENT**

The next meeting was scheduled for Wednesday, June 8, 2011, and an email will be sent to DCBID Board Members to confirm. The meeting was adjourned at 9:22 a.m.